

DOCKET SECTION

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE AND FEE CHANGES, 1997

POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY
Docket No. R97-1

ERRATUM TO EXHIBIT OF WITNESS CRUM

The United States Postal Service hereby files an erratum to page 1 of witness Crum's Exhibit A. A revised page incorporating the change is provided. The figure changed is on the second line under Window Service Parcel Post Costs and is labeled "Window Service CS 3.2 direct costs only." "\$6,704,368" is changed to "\$6,602,453." This change has no effect on any other number, since the breakdown and proportions of DBMC and Non-DBMC shown immediately below the number are correct. It is these proportions that witness Crum used in his study, not the total number. With this change, the DBMC and Non-DBMC numbers total properly.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
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October 7, 1997

WINDOW SERVICE AND PLATFORM COSTS

WINDOW SERVICE PARCEL POST COSTS

Base Year 1996 Window Service Cost Segment 3.2 total = \$7,492,000 (Exhibit USPS-T-5A)

Window Service CS 3.2 direct costs only = \$6,602,453 (Library Reference H-144)

DBMC = \$52,047; Proportion = .0079%

Non-DBMC = \$6,550,406; Proportion = 99.21%

Total Window Service costs by rate category allocated in proportion to direct costs:

DBMC = \$7,492,000 * .0079 = \$59,187

Non-DBMC = \$7,492,000 * .9921 = \$7,432,813

PARCEL POST VOLUMES - Exhibit I

DBMC = 96,745,734

Non-DBMC = 116,082,589

WINDOW SERVICE COSTS PER PIECE:

DBMC = \$59,187/96,745,734 = \$.0006 per piece

Non-DBMC = \$7,432,813/116,082,589 = \$.0640 per piece

\$.0640 - \$.0006 = \$.0634

\$.0634 * 1.403 (Window Service related Base Year 1996 indirect attributable cost "piggyback" factor, Zone Rate Parcel Post - Library Reference H-77)
= **8.9 cents** saved per DBMC piece.

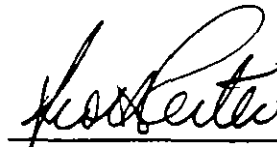
PLATFORM ACCEPTANCE COSTS

Total = \$2,392,000 (Library Reference H-144)

All DBMC mail is bulk accepted at the platform and much of Non-DBMC is also bulk accepted. DBMC additionally appears to come in larger and more full trucks. Because the tallies would be so limited for such a small amount of costs and without any additional data available, I have assumed an even split between DBMC and Non-DBMC for these costs. The final costs are relatively insensitive to this assumption.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

A handwritten signature in cursive script, appearing to read "Scott L. Reiter", is written over a horizontal line.

Scott L. Reiter

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